GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3237
ANSWERED ON:08.12.2000
TAX EVASION BY FIREWORKS MANUFACTURERS
CHANDRA NATH SINGH

Will the Minister of FINANCE be pleased to state:

(a) whether the Government are aware of the evasion of Central Sales Tax and Central Excise by the fireworks manufacturers in South India and their dealers in the country by unaccounted transactions;

(b) if so, whether there is any proposal to enquire into the matter to nab the tax evaders and accumulation of ill-gotten wealth; and

(c) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a): Sir, Government of India is not aware of evasion of Central sales tax as the CST Act is administered by the States. With respect to Central Excise duty, a few cases of alleged evasion by fireworks manufacturers in South India, have been detected.

(b)&(c): Investigation has already been conducted into the matter, and show cause notices have been issued to the concerned parties, which are mainly located in and around Sivakashi.